

HUMAN SERVICES DEPARTMENT[441]**Adopted and Filed Emergency After Notice**

Pursuant to the authority of Iowa Code section 217.6 and 2013 Iowa Acts, Senate File 446, section 29, the Department of Human Services amends Chapter 92, "IowaCare," Iowa Administrative Code.

These amendments reflect the change in the payment methodology for federally qualified health centers (FQHCs) from fee for service to an encounter payment and eliminate the FQHC funding pool for laboratory and radiology services in accordance with the Department's appropriation bill (2013 Iowa Acts, Senate File 446). These services will now be included in the encounter payment. These amendments will address a shortfall in the funding pool for laboratory and radiology services by making funding more flexible.

Notice of Intended Action on these amendments was published as **ARC 0886C** in the Iowa Administrative Bulletin on July 24, 2013. The Department received no comments from the public concerning the Notice. These amendments are identical to those published under Notice of Intended Action.

The Council on Human Services adopted these amendments on September 11, 2013.

Pursuant to Iowa Code section 17A.5(2)"b"(2), the Department finds that the normal effective date of these amendments, 35 days after publication, should be waived and the amendments made effective October 1, 2013. The normal effective date can be waived since these amendments confer a benefit on the public. New benefits relating to laboratory and radiology services will be allowed as an encounter for IowaCare members assigned to FQHC medical homes.

These amendments do not provide for waiver in specified situations because the same payment methodology should apply to all FQHCs and because the amendments provide a benefit by not limiting coverage of laboratory and radiology services to the former funding pool. Requests for waiver of any rule may be submitted under the Department's general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 217.6 and chapter 249J.

These amendments became effective October 1, 2013.

The following amendments are adopted.

ITEM 1. Amend subrule 92.8(1), introductory paragraph, as follows:

92.8(1) *Provider network.* Except as provided in subrules 92.8(3) through ~~92.8(5)~~ **92.8(7)**, IowaCare members shall have medical assistance only for services provided to the member by:

ITEM 2. Amend subrule 92.8(7) as follows:

92.8(7) *Services from nonparticipating providers.*

a. to c. No change.

d. Laboratory test tests and radiology pool services. ~~A funding pool is established to provide payment~~ Payment will be made to federally qualified health centers, as part of the per-IowaCare-patient-encounter payment made pursuant to 92.9(3)"b," for medically necessary laboratory tests and radiology services provided to enrolled IowaCare members when authorized by a the federally qualified health center ~~that has been designated by the department as part of the IowaCare regional provider network.~~ Payment from the pool shall be subject to the following conditions and limitations:

~~(1) Payment may be made only for laboratory tests or radiology services which the participating federally qualified health center does not otherwise have the means to provide on site.~~

~~(2) Each participating federally qualified health center shall designate no more than four laboratory testing facilities and no more than four radiology facilities to which the center will refer IowaCare patients for these services. The designated providers must participate in the Iowa medical assistance program. Payment shall be made only to the designated providers.~~

~~(3) The designated provider must obtain a referral from the participating federally qualified health center for the services and must include information regarding the referral on the claim form.~~

~~(4) All other medical assistance policies for coverage of laboratory and radiology services shall apply, including requirements for prior authorization.~~

~~(5) Payment is limited to the amount of available funds designated for the laboratory test and radiology pool. If the amount appropriated for the pool is exhausted, laboratory tests and radiology services ordered by a participating federally qualified health center shall be provided or coordinated by the center.~~

ITEM 3. Amend subrule 92.9(3) as follows:

92.9(3) *Payment for nonhospital services provided by IowaCare network.* Effective ~~July 1, 2010~~ January 1, 2013, IowaCare network providers shall be paid for nonhospital services at the Medicaid fee schedule amounts ~~in effect on November 30, 2009~~, which are posted on the department's Web site at http://www.ime.state.ia.us/Reports_Publications/FeeSchedules.html, with the following exceptions:

a. No change.

b. ~~Physician services~~ Services provided to IowaCare members ~~in~~ by a federally qualified health center, including any medically necessary laboratory tests and radiology services authorized by the federally qualified health center, shall be reimbursed ~~based on the Medicaid physician fee schedule in effect on the date of service, limited to the amount appropriated for the fiscal year.~~ on the basis of a per-IowaCare-patient-encounter payment calculated for each participating federally qualified health center as follows:

(1) The initial encounter rates will be based on the total fees paid to the federally qualified health center under the IowaCare program for dates of service from July 1, 2012, through December 31, 2012 (the "initial rate period"), plus the total fees paid to third parties for laboratory and diagnostic services referred out from the particular federally qualified health center during the initial rate period. The rates shall exclude any fees charged by or through the University of Iowa Hospitals and Clinics or Broadlawns Medical Center or through any other federally qualified health center.

(2) The initial encounter rates will be reevaluated on or after April 15, 2013. If the reevaluation results in changes in the initial encounter rate, the department will mass-adjust all of the federally qualified health center's claims submitted for dates of service from January 1, 2013, through March 31, 2013.

(3) After the first quarter of calendar year 2013, the department shall establish a new encounter rate for the federally qualified health center following the end of the prior quarter, based on claims submitted for the prior quarter.

(4) The department shall reevaluate each new encounter rate 45 days after the start of each quarter to consider adjustments based on laboratory and diagnostic claims received with dates of service from the prior quarter submitted within the prior 45 days. If the reevaluation results in changes in the current encounter rate, the department will change the current encounter rate retroactively for the quarter and mass-adjust any claims submitted for the current quarter.

(5) Upon expiration or termination of the IowaCare medical home agreement, the department will reevaluate the encounter rate paid to the federally qualified health center in the final whole or partial quarter by taking into consideration any laboratory and diagnostic claims submitted within 45 days of the expiration or termination of the agreement with dates of service from that final quarter. If the reevaluation results in changes in that final quarter's encounter rate, the department will change the encounter rate for the final quarter and mass-adjust any prior claims submitted for that final quarter.

c. No change.

[Filed Emergency After Notice 9/11/13, effective 10/1/13]

[Published 10/2/13]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/2/13.